

INFORMATION AND INSTRUCTIONS FOR COMPLETING THE SPECIAL FUEL EXPORTER TAX RETURN

OVERVIEW:

Tax returns accompanied by the payment must be filed **monthly and must be postmarked by the twenty-fifth of the month following the reporting period.**

If the tax is paid by electronic funds transfer, the net amount due the state (Line 11) shall be submitted on or before the 10th calendar day of the 2nd month immediately following the reporting period, except May of each year when the tax will be due on the last business day of June. For example, if the tax return is due January 25th, monies are due on February 10th. *The tax **must** be paid by electronic funds whenever the amount due is fifty thousand dollars (\$50,000) or more.* Each year, a reporting and EFT payment schedule will be provided by the department.

Round all reported gallons to the nearest whole gallon. Convert liters to gallons at the rate of 3.785 liters per gallon. Negative figures are not allowed on Lines 1 through 3 or on Schedules A and B.

Negative or credit dollar amounts must be enclosed in parentheses.

REQUIRED FORMS/DOCUMENTS:

- Washington Special Fuel Exporter Tax Return (Form FT-441-765)
- Fuel Tax Multiple Schedule of Receipts (Form FT-441-846)
- Fuel Tax Multiple Schedule of Disbursements (Form FT 441-841)

RECORDS YOU WILL NEED:

Records must be kept for five (5) years for all Special Fuel received, sold, distributed or used for your own consumption. These include invoices, bills of lading, and other papers as required by the Department.

Use either gross or net (temperature corrected to 60 degrees) gallons consistently throughout your tax return.

When title or possession passes, a distribution has occurred (Example: "book transfer" or "exchange"). Physical movement of fuel is **not** a requirement for a distribution to take place. A transaction that merely settles an exchange balance without a transfer of title or possession is not a distribution.

Information provided on this return may be disclosed to the Internal Revenue Service.

TAX RETURN INSTRUCTIONS:

Computer generated forms will be accepted if the format is identical to that of the Department.

NOTE: It is advisable to complete Schedules A and B prior to entering amounts on the tax return as several entries come from these schedules.

- A. Enter the year and month for which the tax return is being submitted.
- B. Place an "X" in each box that applies.
 - **No Operations:** If you had no Special Fuel operations during the reporting period, you must still file a tax return to avoid revocation of your Special Fuel Exporter License.
 - **Amended Returns:** To report changes for a previous tax reporting period, an amended tax return must be filed for that specific period. Amended tax returns must be filled out completely, rather than showing only the changed amounts. These changes should not be included in the current tax return.

Note: The procedures for calculating the penalty, interest and the net amount due are different for amended returns. (See instructions)

- **Late Returns:** Late returns require payment of penalty and interest, if taxes are due.
- **Name Change:** You must provide your current business name. If you just purchased or incorporated your business, a new application for license must be completed.
- **Address Change:** Please provide both the correct physical and mailing address(es).
- C. Your **NAME, LICENSE NUMBER** and **ADDRESS** must appear on the tax return. If the tax return is **NOT** pre-printed, type or print the name and license number as shown on your Special Fuel Exporter License.
- D. **Cancel License:** To cancel your license, place an "X" in the box and indicate an effective date. This date must be the actual date you ceased business operation or the date you wish to surrender your license. A tax return must be submitted through the effective date of cancellation. All fuel taxes must be paid on remaining inventory.

Line 1. Enter total clear diesel received for export (Total from Schedule A).

Line 2. Enter tax exempt gallons exported (Total from Schedule B).

Line 3. Enter the amount of fuel purchased in **Washington** on which the fuel tax was paid (Line A1 from Schedule A).

Line 4. Enter net taxable or credit gallons (Line 1 - Line 2 - Line 3).

Line 5. Compute the Special Fuel Tax (Line 4 times fuel tax rate).

PENALTY COMPUTATION

Line 6. If taxes are owed on Line 5, and you are filing a late tax return (i.e., it's postmarked after the due date), you will owe a penalty. To compute the penalty, multiply Line 5 times 10% and enter the result on Line 6.

For an **amended** tax return, compute Line 5 minus any amounts paid on or before the original due date of the return. If the result is zero or less, no additional interest or penalty is due. If the result is greater than zero, multiply this amount by 10% and enter the amount here.

Line 7. Enter the sum of Line 5 plus Line 6.

INTEREST COMPUTATION

Line 8. If Line 7 is greater than zero, multiply that amount by 1% (compounded interest) times the number of months the tax return is late. A partial month is considered a full month. Interest is due the first day of the month following the payment due date. See schedule provided by the Department.

For an **amended** return:

- (a) deduct any amounts paid on or before the original due date of the tax return from Line 5.
- (b) add the amount from Line 6.
- (c) multiply the result by 1% (compounded interest) times the number of months the payment is late.

Line 9. Enter the total fuel tax liability (Line 7 plus Line 8).

Line 10. If this is an **amended** tax return, enter all payments applicable for this reporting period.

Line 11. If the total of Line 9 minus Line 10 is greater than zero, this is the amount owed.

Checks should be made payable in United States funds to the Washington State Treasurer.

All payments of \$50,000.00 or greater **must** be made in electronic funds. If you are using this method, place an "X" in the EFT box.

Line 12. If the total of Line 9 minus Line 10 is less than zero, this is the net refund amount.

If the credit is \$2,000 or more, copies of Washington tax paid invoices supporting Line A1 must accompany the tax return. The Department **MAY** request copies of invoices to support refund claims for less than \$2,000. Original invoices must be retained for audit

purposes.

PLEASE SIGN, DATE, PROVIDE TITLE AND TELEPHONE NUMBER (including area code) OF PERSON SIGNING. INCLUDE CONTACT NAME AND PHONE NUMBER.

Mail the tax return (with payment, if applicable) to:

Department of Licensing
Fuel Tax Section
PO Box 9048
Olympia, WA 98507-9048

For information, call (360) 664-1852

INSTRUCTIONS FOR COMPLETING SCHEDULE A

Line A1. Enter **ALL** exported clear diesel Special Fuel gallons purchased/received for which you have **paid the Washington Special Fuel Tax**. Transfer Line A1 to Line 3 of the tax return. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

Line A2. Enter **ALL** clear diesel Special Fuel gallons received for export for which you have **not paid the Washington Special Fuel Tax**. Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

Line A3. Other (explain). Complete the Fuel Tax Multiple Schedule of Receipts Supplemental Schedule and attach to the tax return.

Transfer the total of fuel received (Lines A1 through A3) to Line 1 on the tax return.

INSTRUCTIONS FOR COMPLETING SCHEDULE B

Line B1. Enter number of Special Fuel gallons exported outside the State of Washington. Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax return.

Line B2. Other (explain). Complete the Fuel Tax Multiple Schedule of Disbursements Supplemental Schedule and attach to the tax returns.

Transfer the total of tax exempt gallons from (Line B1 through B2) to Line 2 on the tax return.

INSTRUCTIONS FOR COMPLETING SCHEDULE C

Enter the number of Dyed Diesel gallons sold in Washington only.

The Department of Licensing has a policy of providing equal access to its services. If you need special accommodation, please call (360) 902-3600 or TTY(360) 664-8885.